
A BILL FOR AN ACT

RELATING TO ENERGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii leads the
2 nation in the creation of pioneering models of energy and
3 infrastructure financing to save taxpayers' money. In 2013, the
4 legislature established the green energy market securitization
5 program, which uses private investment dollars to pay for the
6 upfront costs of energy infrastructure retrofits for both public
7 and private purposes, which is paid back using the savings
8 realized from the reduction in energy costs generated by the new
9 energy-efficient infrastructure while also producing an
10 additional net savings to the end user.

11 By using energy-savings financing mechanisms such as the
12 green energy market securitization fund to pay for a large
13 portion of any renewable energy project, the university can
14 reduce its electrical consumption at a fraction of the cost to
15 taxpayers. Furthermore, the use of energy-savings financing
16 mechanisms such as the green energy market securitization fund
17 to pay for the renewable energy portion of any deferred
18 maintenance project can help the university reduce its deferred



1 maintenance backlog and lower its electrical consumption at a
2 fraction of the cost to taxpayers.

3 The purpose of this Act is to maximize taxpayer savings by
4 establishing long-term commitments to reduce energy use at the
5 University of Hawaii and by establishing and appropriating funds
6 through a special fund that incentivizes the use of energy-
7 savings financing mechanisms to complete renewable energy and
8 deferred maintenance projects at a fraction of the cost to
9 taxpayers.

10 SECTION 2. Chapter 304A, Hawaii Revised Statutes, is
11 amended by adding a new section to be appropriately designated
12 and to read as follows:

13 **"§304A-A Energy use; net-zero goal.** (a) The University
14 of Hawaii shall establish a collective goal of becoming net-zero
15 with respect to energy use, producing as much energy as the
16 system consumes across all campuses, by January 1, 2035.

17 (b) The University of Hawaii shall establish a benchmark
18 for the amount and value of energy consumed during the 2014-2015
19 fiscal year, against which it shall measure its progress toward
20 the goal set forth in subsection (a)."



1 SECTION 3. Chapter 304A, Hawaii Revised Statutes, is
2 amended by adding a new section to part V, subpart C, to be
3 appropriately designated and to read as follows:

4 **"§304A-B University of Hawaii net-zero special fund. (a)**

5 There is established the University of Hawaii net-zero special
6 fund, into which shall be deposited:

7 (1) Moneys from the University of Hawaii, pursuant to
8 subsection (c); and

9 (2) Moneys from other sources.

10 (b) The special fund shall be used:

11 (1) For renewable energy and efficiency capital
12 improvement projects that advance the net-zero energy
13 goal set forth in section 304A-A(a);

14 (2) For deferred maintenance capital improvement projects
15 with a renewable energy or efficiency component that
16 advances the net-zero goal set forth in section
17 304A-A(a); and

18 (3) In conjunction with financing mechanisms as approved
19 through:

20 (A) A green infrastructure loan program order,
21 pursuant to section 269-171; or



1 (B) Comparably-priced energy-savings financing
2 products to pay for facility upgrades that
3 advance the goal set forth in section 304A-A(a).

4 (c) For each capital improvement project funded through
5 the special fund in conjunction with financing mechanisms in
6 subsection (b)(3), the University of Hawaii shall annually
7 deposit into the special fund the current value of the energy
8 saved or offset by the project during the preceding fiscal year,
9 excluding any debt service costs for the project, until the debt
10 service costs for the project have been paid in full.

11 (d) The University of Hawaii shall submit an annual report
12 to the legislature by November 30 of each year that includes the
13 following information:

14 (1) The total debt service in the prior fiscal year for
15 capital improvement projects funded through the
16 special fund;

17 (2) The current value of the energy saved in the prior
18 fiscal year through capital improvement projects with
19 outstanding debt service funded through the special
20 fund;



1 (3) The status of each capital improvement project funded
2 through the special fund, if the project is not yet
3 complete;

4 (4) Recommendations for the next phase of capital
5 improvement projects to be funded through the special
6 fund; and

7 (5) Overall progress toward the net-zero goal set forth in
8 section 304A-A(a).

9 (e) As used in this section, "special fund" means the
10 University of Hawaii net-zero special fund."

11 SECTION 4. The director of finance is authorized to issue
12 general obligation bonds in the sum of \$ or so much
13 thereof as may be necessary and the same sum or so much thereof
14 as may be necessary is appropriated for fiscal year 2015-2016
15 for the purpose of capital improvement projects to be funded
16 through the University of Hawaii net-zero special fund.

17 SECTION 5. There is appropriated out of the general
18 revenues of the State of Hawaii the sum of \$ or so
19 much thereof as may be necessary for fiscal year 2015-2016 and
20 the same sum or so much thereof as may be necessary for fiscal



1 year 2016-2017 for deposit into the University of Hawaii net-
2 zero special fund.

3 SECTION 6. There is appropriated out of the University of
4 Hawaii net-zero special fund the sum of \$ or so much
5 thereof as may be necessary for fiscal year 2015-2016 for the
6 University of Hawaii at Manoa for plans, design, construction,
7 and equipment for the retrofit of Klum gym, with new athletics-
8 support functions, and for other campus small energy efficiency
9 projects with high return on investment; provided that
10 \$ of this sum shall be funded through financing
11 mechanisms in section 304A-B(b)(3), Hawaii Revised Statutes.

12 The sum appropriated shall be expended by the University of
13 Hawaii for the purposes of this Act.

14 SECTION 7. The appropriation made for the capital
15 improvement project authorized by this Act shall not lapse at
16 the end of the fiscal biennium for which the appropriation is
17 made; provided that all moneys from the appropriation
18 unencumbered as of June 30, 2018, shall lapse as of that date.

19 SECTION 8. In codifying the new sections added by sections
20 2 and 3 of this Act, the revisor of statutes shall substitute



1 appropriate section numbers for the letters used in designating
2 the new sections in this Act.

3 SECTION 9. New statutory material is underscored.

4 SECTION 10. This Act shall take effect on July 1, 2050.



Report Title:

University of Hawaii; Energy; Appropriation

Description:

Requires UH to establish collective goal of becoming net-zero with respect to energy use by January 1, 2035. Establishes the University of Hawaii net-zero special fund. Makes appropriations and authorizes general obligation bonds to the University of Hawaii. Effective 7/1/2050. (SD1)

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